Boeing and All Nippon Airways Sign Contract for Innovative Maintenance Solution

Boeing [NYSE: BA] and All Nippon Airways (ANA) have signed an agreement that will reduce ANA's operating costs by having Boeing manage much of the airline's spare parts inventory.

Under the arrangement, known as Integrated Materials Management (IMM), Boeing will be responsible for the purchasing, inventory management and logistics for a number of ANA's expendable aircraft parts. ANA is the fourth airline to sign up for the Boeing IMM program.

"We are delighted to have signed this agreement with Boeing, not only because the IMM program will assist us in bringing costs down in terms of parts for our present fleet, but also because it will allow us to minimize our initial investment in parts for aircraft yet to be introduced, namely the 737NG and the 7E7 Dreamliner," said Suguru Omae, ANA senior executive vice president.

Boeing and other suppliers will own the aircraft parts, which will be stored at a location near the airline's operations until needed. ANA will only pay for parts as it uses them, thereby significantly reducing its inventory holding costs and improving its return on assets.

"Boeing is very pleased that we are continuing our long-term relationship with ANA," said Mark Owen, Boeing vice president of Material Management and Spares. "ANA benefits from this agreement by eliminating the problem of spare-parts obsolescence and improving its overall materials management productivity. Those are important factors in today's extremely competitive environment."

Integrated Materials Management builds on existing materials management programs that Boeing has with several other airlines. This program is the next advance in expanding Boeing's supply chain services to provide value to both airline customers and supplier partners.

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For further information:
Ed McGinn
Boeing
206-766-2161
edward.b.mcginn@boeing.com
Lewis Brinson
Boeing
206-766-2116
lewis.b.brinson@boeing.com
Naoko Masuda
Boeing
81(3) 5223-1234
naoko.masuda@boeing.com